



## SUPPORT SB 222: Keeping Colorado Kids Healthy Improving Access, Financing and Delivery of Vaccines

*Sponsor: Senators Aguilar; Representative Pabon*

*Co-Sponsors: Senators Newell & Nicholson; Representatives Melton, Levy, Tyler, Kraft-Tharp, Peniston, Salazar, Singer & Rosenthal*

### WHAT THE BILL WOULD DO

The goal of the legislation is two-fold: to increase access to vaccines by eliminating barriers to providers and patients; and to maximize cost and administrative efficiencies that are absent in the current system. The legislation being considered does three things:

1. Eliminates the current statutory prohibition thereby allowing the Colorado Department of Public Health and Environment (CDPHE) to engage in a stakeholder process about the state's vaccine financing and delivery system.
2. Directs CDPHE to engage in a stakeholder process to discuss a wide variety of issues related to vaccine financing, order and delivery, including a public/private model of vaccine purchase and delivery, existing models of vaccine financing, just-in-time delivery, inventory management, outbreak response, Colorado Immunization Information System (CIIS) linkage to inventory, vaccine shortage response, preservation of vaccine delivery in a medical home model of care and mechanisms for local public health entities to bill insurance carriers.
3. Authorizes the Board of Health at CDPHE to promulgate rules necessary to implement the outcome of the stakeholder process, while preserving current models of vaccine financing, order and delivery at the discretion of the provider.

### THE ISSUES

#### *The current system for funding childhood vaccines presents barriers to access*

- Vaccines are currently reimbursed via private insurance, the state General Fund, and two federal grant programs (Vaccines for Children or VFC, and Section 317).
- Many providers operate in both the public and private payment systems creating administrative inefficiencies associated with maintaining a "two drawer" administrative policy.
- Some private providers, especially rural and small urban/suburban practices, are unable to keep up with increasing costs invest the capital required to maintain an adequate supply of vaccines in this disjointed system.

#### *Immunizing children is a safe, easy and cost-effective way to safe-guard health*

- In 2011, Colorado had \$19,327,193 in hospital charges associated with four specific vaccine- preventable diseases.<sup>1</sup>
- In 2012, Colorado experienced record numbers of whooping cough cases and significant flu activity, with five pediatric deaths attributed to flu.

#### *In some counties, local public health agencies (LPHA) may be the only provider of vaccines*

- Many rural physician offices don't provide vaccinations for a variety of reasons and refer their patients to LPHAs.
- Driven by changes in the federal rules involving vaccine purchase, it will become increasingly difficult for LPHAs to provide vaccines. LPHAs may not use funding they were once able to use to vaccinate children who are insured.

<sup>1</sup> Colorado Hospital Association discharge data, 2011

For more information, please contact

Sara Odendahl (303) 506-2348; Ruth Aponte (303) 907-1980; Jeff Thormodsgaard (303) 653-5563;  
Adam Eichberg (303) 204-6930; Dan O'Connell (720) 708-8752; or Diana Protopapa (303) 810-3708



- This includes families with poor insurance coverage or high deductibles, as well as those families who do not have a medical home. LPHAs will only be able to provide immunizations to those children if the family is able to pay for the cost of the vaccine or if LPHAs institute costly systems to bill private insurance companies for the cost of the vaccine.
- These changes are likely to negatively impact immunization rates for children in Colorado, creating the very real possibility of more outbreaks of vaccine-preventable diseases.

### **BENEFITS OF STAKEHOLDER PROCESS**

- A facilitated stakeholder process can examine the vaccine purchase and distribution system throughout Colorado to ensure that all children have access to affordable immunizations.
- Making vaccine administration more accessible in medical homes shifts the responsibility for immunizations back to providers, alleviating the burden on local health departments and making vaccines more accessible to Colorado children.
- Simplifying access to vaccines for children can lead to improved immunization rates and has the potential to save the state, health care providers, insurers and local public health departments significant money.
- Some states have seen success in establishing a bulk purchasing systems, thus capitalizing on economies of scale. In such a system, vaccines could be purchased at a significantly reduced rate, increasing the likelihood that providers, especially rural providers, offer vaccinations, and eliminating administrative burdens such as multiple billing procedures and requirements to keep vaccines separated based on funding source.
- Capitalizing on the expertise of a wide variety of participants and learning from existing models of vaccine financing and delivery, a stakeholder process will allow Colorado to create a unique solution to address our state's current challenges related to vaccine financing and delivery.
- Nothing in the implementation language compels a health care provider to participate in a purchase system, should one be recommended by the stakeholder group.

### **ORGANIZATIONS SUPPORTING THE BILL**

Colorado Children's Immunization Coalition \* Colorado Children's Campaign  
 Colorado Academy of Family Physicians \* Colorado Chapter, American Academy of Pediatrics  
 Children's Hospital Colorado \* Colorado Association of Local Public Health Officials  
 Early Childhood Summit \* Together Colorado \* March of Dimes \* Colorado Medical Society  
 Public Health Nurses Association of Colorado \* Colorado Association for School-Based Health Care  
 Colorado Association of School Nurses \* Colorado Public Health Association  
 Denver Health & Hospital Authority \* Colorado Coalition for the Medically Underserved  
 Early Childhood Councils Leadership Alliance \* Qualistar Colorado \* Colorado Consumer Health Initiative  
 Mile High United Way \* Rocky Mountain Health Plans

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